

**CITY OF SHOREVIEW  
MINUTES  
CITY COUNCIL WORKSHOP MEETING  
May 13, 2013**

**CALL TO ORDER**

Mayor Martin called the workshop meeting of the Shoreview City Council to order at 7:02 p.m. on May 13, 2013.

**ROLL CALL**

The following attended the meeting:

City Council: Mayor Martin; Councilmembers Johnson, Quigley, Wickstrom, Withhart

Staff: Terry Schwerm, City Manager  
Tom Simonson, Assistant City Manager/Community  
Development Director  
Mark Maloney, Public Works Director  
Jessica Shawn, Environmental Officer

Decision  
Resources Ltd. Peter Letherman

North Suburban  
Communications  
Commission Cora Wilson

Comcast Emmett Coleman

Environmental  
Quality  
Committee Tim Pratt, Chair  
Katrina Corum  
Scott Halstead  
Lisa Shaffer-Schreiber  
Susan Rengstorf  
Michael Prouty  
Daniel Westerman

**REVIEW OF DRAFT COMMUNITY SURVEY**

The 2013 Community Survey, drafted by Decision Resources Ltd., was reviewed by Councilmembers. Attention was focused on the following questions:

- Councilmember Withhart requested that a question be added to ask how people see programs for seniors. Mayor Martin stated that if the Council agrees, there should be a question about senior services.
- The choice of “outdoor pool” was deleted from question No. 59, as it is included in question No. 70.
- Mayor Martin noted that in question No. 85, residents do not understand the breakdown of the City portion of property taxes. Mr. Letherman stated that the fact that the City portion is 22% of their taxes can be explained only after the question is answered in order to get an unbiased answer.
- Councilmember Withhart requested that No. 108 be deleted because this service is already being provided by the Economic Development Authority (EDA).
- Mayor Martin stated that the most common form of theft is from cars and requested that be added to question No. 122.
- No. 148 was deleted.
- Reference to organized garbage collection occurs in question Nos. 159 and 161. The reference in 159 was deleted and left in No. 161. It was decided to retain the question about organized collection.
- Question No. 182 regarding “Shoreview Today” was deleted.
- Regarding question No. 202, Councilmember Withhart requested an age category of those nearing retirement, such as ages 50 to 64. Mr. Letherman stated that staff will provide the breakdown of ages for question Nos. 201 and 202.

Mr. Schwerm stated that the final draft will be completed within a month. The survey will be conducted in late June and early July, so that results will be available by late August or early September. Results will be incorporated as part of the budget benchmarks.

### **DISCUSSION REGARDING CABLE FRANCHISE RENEWAL**

Mayor Martin stated that the City’s franchise agreement will expire in October 2013. Ms. Cora Wilson from the North Suburban Communications Commission and Mr. Emmett Coleman from Comcast were present to discuss the status of negotiations for a franchise renewal with the Council.

Ms. Wilson stated that CTV is not just about public access but serves public needs with production of local government programs and educational programs. CTV funds up to 100 hours of production to each of the ten member cities. Last year, 612 staff hours, which is also many volunteer hours, provided for programming and 700 hours of technical assistance. Also, assistance was provided to a number of government and non-profit agencies, including a program for St. Anthony Schools on early childhood and Ramsey County homelessness in the suburbs. The Commission works closely with the Department of Education. Youth media programs, started two years ago, are going very well and winning awards. Webstreaming is done for two of the three school districts as well as cities. Updated webstreaming services are planned in June.

The challenge with the franchise renewal is that under the authority of Comcast, nearly all of these public and governmental access services would be stopped. The current offer from

Comcast is \$0.40 per subscriber to cover equipment only. Currently, the Commission is getting \$4 per subscriber for equipment and programming operations. Under federal law, there are two processes for franchise renewal--formal and informal. Under the formal process, Comcast must notify the Commission of their desire to renew the agreement. A needs ascertainment is then done to look at the technical aspects of the system to determine community needs and interests for the 10 cities. Compliance issues were also reviewed, and most have been addressed.

In October 2012, the top two issues were funding and to what extent community television would get into high definition channels. A second issue is the commission's institutional network. The institutional network is critical to how channels are programmed. The concern is that when the franchise agreement expires, no deal will have been reached with Comcast and the Commission will be unable to extend the current franchise agreement.

Therefore, the Commission initiated the formal renewal process while indicating a desire to continue informal negotiations. Once a staff report is submitted to Comcast, they will have 60 days to respond. When Comcast's proposal is received, the Commission will recommend acceptance, denial or continued negotiations. If there is no agreement in October, an option to extend the current franchise agreement would be recommended for a period of time.

Mayor Martin agreed that Inet (institutional network) is needed but its use is not being maximized. Shoreview's cost is subsidizing other cities because the use is not maximized in Shoreview. Ms. Wilson responded that not every city has to use every service all the time. Shoreview is using the resources for its own needs. Inet was provided under the current franchise agreement that was adopted in 1998. It was bundled within the Comcast fiber network, which allowed the cable company to establish a value for the service.

Mayor Martin asked if there are penalties if no agreement is reached. Ms. Wilson stated that only an extension has to be agreed upon. There are no penalties.

Councilmember Withhart asked if it is possible to bid the service and find another provider. Ms. Wilson stated that technically that is possible and under state law, no city is permitted to have an exclusive franchise. Verizon and AT&T did a buildout to compete in some municipal systems, but it is not likely to occur here.

Councilmember Wickstrom added that a number of years ago there were three companies. One dropped out because of the expense to build an entire network within a certain period of time. That is a high barrier for any company, especially with the density of the population and infrastructure of two companies operating simultaneously.

Mr. Emmett Coleman, Comcast, stated that the challenge for Comcast is interpretation of what is included in an agreement. The marketplace is expensive. There is not a single service that does not have to provide how many other companies are active. That impacts the franchise fee and public access fee. The franchise agreement that is currently in place is from 15 years ago. Federal rules have changed in that time. The competitive marketplace has changed. Customers have changed.

The challenges for Comcast are public access and community television and the institutional network. Aspects of the institutional network are not used. The concern is that the network that the North Suburban Cable Commission is part of is 2.5 times the size of the north suburbs. The metro Inet is not a subset of the franchise. It works from Roseville and to other cities not in the network. With respect to public access, the City currently receives a 5% franchise fee and \$4 per month PEG fee, which is the highest in the metro area. What does that mean for Comcast's ability to grow? How are these channels being used? The FCC rule says that if you want public access, funding is supposed to come out of franchise fees. Operating expenses are also supposed to come from the franchise fee. Initiating the formal renewal process is very rare. Conversations have not begun. Comcast wants network parameters set up by October, but the formal process will drive a lot of activity now.

Ms. Wilson stated that with regard to the institutional network, Roseville did initially start providing services within the 10 member cities. In order to grow, Roseville leased fiber beyond the 10 cities. For the past 15 years, the Commission has wanted Comcast to build fiber for the 10 cities. Comcast chose not to do that. The Commission is interested in looking at a mass service proposal, maybe even outside the franchise that would be a 20- to 30-year proposal.

Councilmember Johnson asked how public/private partnerships with communities are pursued. Mr. Coleman stated that each is different. Cable is just one aspect. The company philosophy is to go beyond collaboration and community partners just working with Comcast, such as also partnering with Northwest Youth and Family Services.

Councilmember Quigley stated that there is a big dollar difference. It is unusual for a committee to set a deadline, and it seems destructive to continuing negotiations.

Mr. Schwerm stated that the City currently receives a 5% franchise fee. Until now, the City has chosen to use it for a variety of purposes that are communications related, such as staff costs and printing costs for the City's newsletter and capital costs for Council Chamber equipment. Cities give it back to community programming, but Shoreview has not traditionally done this. Cities in this franchise do not use the franchise fee for community programming. Shoreview relies on public education and government programming through the Commission, which is the \$4.00 PEG fee on the cable bill. If the fee drops substantially, as proposed by Comcast, there will be a reduction in community programming. The \$4.00 is a pass-through fee that Comcast collects and gives to the Commission.

Mayor Martin stated that public access is really important to Shoreview. There are a number of people who watch Council and Planning Commission meetings. Her concern is about keeping rates as low as possible. She does not want to waste money on lawsuits and lawyers. She would rather see an agreement reached and avoid any legal action to save money.

## **REVIEW OF ENVIRONMENTAL QUALITY COMMITTEE ANNUAL REPORT AND WORK PLAN**

Mayor Martin commended members of the Environmental Quality Committee (EQC) for their active role in decisions made by the City, especially with the recommendations made for including sustainable elements in the Maintenance Center expansion project.

Councilmember Wickstrom stated that the educational programs sponsored by the EQC have been excellent and is a great way to educate the public.

Chair Tim Pratt outlined the goals the EQC has adopted for 2013-2014:

- Implement an expanded Green Community Awards program.
- Continue the winter Speaker Series, and further discuss the pros and cons of increasing the number of speakers for 2014-2015 series.
- Continue to publish environmentally themed articles in the ShoreViews and the City website.
- Work to enhance the EQC presence at the Slice of Shoreview by improving exhibit space and updating materials.
- Conduct an annual internal critique of the committee's work in an effort to improve effectiveness.

Beyond these goals, EQC members discussed environmental issues they see facing Shoreview: 1) water quantity and quality; 2) energy consumption; and 3) urban forest.

Susan Rengstorf indicated that one program the EQC would like to see in Shoreview would be organized garbage collection. However, there is opposition. The Minnesota Pollution Control Agency has written an overview of benefits to organized garbage collection. It is most important because of air pollution. Ramsey County has the worst air pollution in the state and is rated between a D and F in air quality. There are a lot of air emissions created by hauler trucks along with noise pollution as well as wear and tear on the roads plus the fuel consumption. The money residents can save with organized garbage collection could be as much as \$100 per year. Maplewood, Lino Lakes and Little Canada have all adopted organized garbage collection. Residents in Maplewood saw their rates decrease by half. Garbage trucks account for 8% of the wear and tear on roads. The City of Roseville estimates the cost of one mile for a 7-ton street rehabilitation at \$500,000. Streets would last 5 to 10 years longer if garbage truck traffic were limited. Residents would save \$20 to \$40 a year in property taxes. Some cities divide the city so that different haulers serve different sections. It was recommended that the upcoming community survey include a question on organized garbage collection. There will be a program on organized collection in the EQC Speaker Series next year.

### **Water Quantity and Water Quality**

The EQC would like to see the City find ways to recharge the aquifers by promoting rain gardens and paying attention to issues of water quality and infrastructure.

Mayor Martin stated that big overview studies are going to be carried out regarding water. One issue is to identify who will have authority to address water issues. On this issue, cities cannot be as influential as a region. There is discussion about the Metropolitan Council becoming more involved. Shoreview has always had a major emphasis on water quality, and it will continue.

Councilmember Wickstrom stated that consideration needs to be given to recycling water, using ponds and other water resources so that less is used from the aquifer. The issue with White Bear Lake and Turtle Lake water levels is a teachable moment. People are concerned, and this is the time to let them know how serious water problems are and adjustments that need to be made. The Metropolitan Council is working on a plan and is seeking input on several issues. One is water. She encouraged EQC members to go to their website or attend one of their meetings. The other issues include transportation, land use, economic development and affordable housing.

Mayor Martin agreed that conservation is needed, but the less water the City sells, the higher water rates will be. Mr. Schwerm noted that the City has created an additional water tier rate which has helped to create more sustainable water revenues. The water issue is more visible at the regional level. He anticipates that higher levels of government will get involved in water availability issues.

Councilmember Quigley commented on the complexity of the issue in dealing with water usage. Many factors enter in including precipitation, infrastructure costs, safety and maintenance costs. Each factor has its own environmental protocol. Lake level augmentation is yet another factor and how it would impact the aquifer. He noted that the issues identified for Shoreview are not included in the 2013 To Do list.

Mayor Martin stated that she sees the EQC role as continuing to provide education and information to the public.

### **Energy Consumption**

Climate is impacting plants and animals. This concern is not going away. Availability, price of fuels and carbon emissions will have to be addressed. Financial incentives are the most effective in getting changes. Taxing authority, selling bonds to create funds and low cost loans for energy efficient items are all financing mechanisms that can be used. However, Fannie Mae and Freddie Mac may stop such initiatives because of how assessments are treated in bankruptcy law.

Councilmember Wickstrom noted that there is also funding from grants.

Councilmember Withhart stated that the HRA already offers low interest loans on energy improvements to homes. Financing is the key.

### **Urban Forest**

A survey of the City's ash forest has been done. Ash trees account for 20% of the trees in the City. The big issue is the emerald ash borer. There are additional steps that the City can take to be ready for the infestation.

Councilmember Withhart stated that the EQC could help private homeowners by educating them on steps to take. A street tree inventory is needed so it is known where the ash trees exist. Mr. Schwerm stated that the City has an intern working for the summer who will work on the tree inventory. The City is subsidizing ash tree injection program to protect against the EAB.

Mayor Martin requested that public works employees also be educated on ash borer information. It was stated that the number one way the infection is spread is through fire wood.

Ms. Jessica Shaum, Environmental Officer, noted that the tree inventory is only of trees on public property. She suggested an initiative through “Night to Unite” to form a volunteer force that would train residents to conduct a tree inventory on private land.

Mayor Martin called a break at 9:42 p.m. and reconvened the meeting at 9:49 p.m.

### **REVIEW OF NORTH OAKS WATER CONNECTION AGREEMENT PROPOSED CHARLEY LAKE PRESERVE DEVELOPMENT**

A new development in North Oaks of 63 residential homes is occurring north of Chippewa Middle School. Shoreview has been asked by North Oaks to supply water to this development. Mr. Maloney stated that Shoreview’s infrastructure can support this request. A Joint Powers Agreement would be executed similar to the one that is used to provide water service to the Village Center. There would be a 25% markup fee to sell water to the Charley Lake Preserve Development.

Mayor Martin asked if homeowners will know about the Joint Powers Agreement and whether North Oaks will adopt Shoreview’s tiered rates. Mr. Maloney responded that one large meter will be installed at the property line. The bill will be sent to the City of North Oaks.

Mr. Schwerm added that Shoreview will use the Shoreview meter reading system based on water consumption at the property line. How North Oaks bills residents is their decision.

### **OTHER ISSUES**

Councilmember Withhart stated that he would be absent from the June 3rd meeting.

Councilmember Quigley stated that he would be absent from the May 20th meeting.

Mayor Martin stated that she would be unable to attend the June 10th Council workshop. It was the consensus of the Council to schedule a workshop meeting either immediately prior to or after the June 17th regular Council meeting.

Mayor Martin noted an invitation to Councilmembers from the Lakeshore Players to attend a production and a gathering at the director’s home following the play on June 8th or June 15th.

Mayor Martin declared the meeting adjourned at 10:20 p.m.